

# **The Parish Commissioners of Malew**

## **Financial Statements**

For the year ended 31 March 2008

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## **Statement of Commissioners' responsibilities**

The Commissioners' are required to prepare financial statements for each financial year, which are prepared in accordance with the Audit Act 1983 and all other enactments applicable to the financial statements. In preparing those financial statements, the Commissioners' are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in business.

The Commissioners' confirm that they have complied with the above requirements, and all other enactments applicable, in preparing these financial statements.

The Commissioners' are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority and to enable them to ensure that the financial statements comply with the Accounts and Audit Regulations 1984 made under the Audit Act 1983. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Authority and to prevent and detect fraud and other irregularities.

## **Report of the Independent Auditors, Moore Stephens, to the Commissioners of The Parish of Malew**

We have audited the financial statements of The Parish Commissioners of Malew for the year ended 31 March 2008 which comprise the General revenue account, Capital account, Related accounts and Reserve accounts, Statement of assets and liabilities and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Commissioners as a body. Our audit work has been undertaken so that we might state to them those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Commissioners as a body, for our audit work, for this report, or for the opinions we have formed.

### *Respective responsibilities of Commissioners and Auditors*

As described in the Statement of Commissioners' Responsibilities on page 1 the Commissioners are responsible for the preparation of the financial statements in accordance with applicable Isle of Man law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements are properly prepared in accordance with the Accounts and Audit Regulations 1984, made under the Audit Act 1983 and comply with all other enactments applicable to the accounts. We also report to you if, in our opinion, the Authority has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read any other information accompanying the financial statements and consider the implications for our report if we become aware of any apparent misstatements or inconsistencies within it.

### *Basis of opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the UK Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Commissioners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### *Opinion*

In our opinion the financial statements for the year ended 31 March 2008 have been prepared in accordance with the regulations made under the Audit Act 1983 and comply with all other enactments applicable to the financial statements and proper accounting practices have been observed in their compilation.

Moore Stephens  
Chartered Accountants

THE PARISH COMMISSIONERS OF MALEW

General revenue account  
for the year ended 31st March 2008

	2008	2007
	£	£
<b>Income</b>		
<i>Rates receivable</i>	477,742	475,757
<i>Other income</i>		
Bank interest	20,525	16,730
Search fees	3,800	5,450
Village hall hire	10,981	12,198
Refuse collection	56,652	63,153
Lease of office	60,850	58,566
Miscellaneous	600	308
	<u>153,408</u>	<u>156,405</u>
<b>Total income</b>	<u><u>631,150</u></u>	<u><u>632,162</u></u>

The notes on pages 8 - 10 form part of these financial statements.

The financial statements were approved by the Commissioners on \_\_\_\_\_ and  
were signed on their behalf by:

Chairman

Clerk

THE PARISH COMMISSIONERS OF MALEW

General revenue account (continued)  
for the year ended 31st March 2008

	2008		2007	
	£	£	£	£
<b>Expenditure</b>				
Clerk's salary and expenses	52,212		29,075	
Street lighting	24,742		16,390	
Refuse collection	191,227		192,204	
Rate collection charges	5,350		5,355	
Office expenses	98,744		93,125	
Audit and accountancy fees	6,467		4,318	
Insurance	17,006		17,346	
Village hall expenses	25,018		39,076	
Public conveniences and grounds	7,478		10,875	
Members' expenses	7,712		6,486	
Loan capital repayments	75,367		—	
Loan interest	59,926		68,468	
Hire purchase repayment charges	25,753		25,503	
Legal fees	17,156		—	
Swimming pool contribution	10,881		11,668	
Hire purchase interest	987		987	
Civic amenity site	39,409		47,146	
Bank charges	767		788	
Miscellaneous	3,215		2,622	
Toilets	638		356	
<b>Total expenditure</b>		<b>(670,055)</b>		<b>(571,788)</b>
<b>(Deficit) / surplus for the year</b>		<b>(38,905)</b>		<b>60,374</b>
Balance brought forward		<b>391,690</b>		<b>331,316</b>
<b>Balance carried forward</b>		<b><u>352,785</u></b>		<b><u>391,690</u></b>

The notes on pages 8 - 10 form part of these financial statements.

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Housing account  
for the year ended 31st March 2008

	2008		2007	
	£	£	£	£
<b>Income</b>				
Rents		23,460		22,938
Deficiency received		<u>5,802</u>		<u>-</u>
		29,262		22,938
<b>Expenditure</b>				
Repairs	1,070		2,478	
Loan interest	-		6,375	
Transfer to housing reserve account	<u>22,390</u>		<u>14,085</u>	
		(23,460)		(22,938)
<b>Surplus for the year</b>		5,802		-
Balance at 1 April 2007		(10,633)		(10,633)
<b>Balance at 31 March 2008 - deficit due</b>		<u>(4,831)</u>		<u>(10,633)</u>

Housing reserve account  
for the year ended 31st March 2008

<b>Expenditure</b>		
Transfer from housing account	<u>22,390</u>	<u>14,085</u>
<b>Surplus for the year</b>	22,390	14,085
Balance at 1 April 2007	56,956	42,871
<b>Balance at 31 March 2008</b>	<u>79,346</u>	<u>56,956</u>

The notes on pages 8 -10 form part of these financial statements.

THE PARISH COMMISSIONERS OF MALEW

Capital account  
for the year ended 31st March 2008

	2008		2007	
	£	£	£	£
Surplus for the year		—		—
Balance at 1 April 2007		24,948		24,948
Balance at 31 March 2008		<u>24,948</u>		<u>24,948</u>

The notes on pages 8 -10 form part of these financial statements.



THE PARISH COMMISSIONERS OF MALEW

Statement of assets and liabilities  
for the year ended 31st March 2008

	Notes	2008		2007	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	2		2,572,161		2,577,813
<b>Current assets</b>					
Debtors	3	44,060		26,496	
Cash at bank		<u>539,306</u>		<u>562,509</u>	
		583,366		589,005	
<b>Creditors: amounts falling due within one year</b>					
Bank loans	7	(116,428)		(59,908)	
Sundry creditors	4	<u>(77,392)</u>		<u>(80,207)</u>	
		(193,820)		(140,115)	
<b>Net current assets</b>			389,546		448,890
<b>Creditors: amounts falling due after one year</b>					
Bank loans	7		(1,142,557)		(1,266,555)
			<u>1,819,150</u>		<u>1,760,148</u>
<b>Represented by:</b>					
Capital discharged	5		645,450		575,735
General revenue account			352,785		391,690
Housing account			(4,831)		(10,633)
Housing repair account			79,346		56,956
Revaluation reserve	6		<u>746,400</u>		<u>746,400</u>
			<u>1,819,150</u>		<u>1,760,148</u>

The notes on pages 8 - 10 form part of these financial statements.

**Notes**

(Forming part of the financial statements for the year ended 31 March 2008)

**1 Accounting policies**

*a) Basis of preparation*

The financial statements have been prepared in accordance with the historical cost convention on a consistent basis with the prior year, as modified by the revaluation of certain tangible fixed assets.

*b) Income and expenditure*

Income and expenditure is accounted for on an accruals basis.

*c) Housing deficiency*

An allowance for repairs, being 33.33% of net rents receivable, is made in determining the annual housing deficiency grant from central Government. When actual repairs are less than this allowance, the under spending is transferred to a repairs reserve. This reserve may be used for exceptional repairs with the approval of the Department of Local Government and the Environment.

*d) Tangible fixed assets*

Housing stock is valued at the insurance valuation as at 28 November 2001.

The land representing the old commissioners offices is valued at open market as at December 2001. The land at Rushen Abbey is included at cost.

Other tangible fixed assets are carried at cost and are not subject to an annual depreciation charge.

Wheelie bins are depreciated over their useful economic life of 10 years.

THE PARISH COMMISSIONERS OF MALEW

Notes (cont.)  
for the year ended 31st March 2008

<b>2 Tangible fixed assets</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Housing Scheme and improvements	805,525	805,525
Land	470,043	470,043
Recreation ground	1,307	1,307
Village hall	296,063	296,063
Village hall equipment	17,480	17,480
Wheelie bins	56,520	56,520
Less depreciation	(44,994)	(39,342)
Refuse equipment	55,890	55,890
New Office development	914,327	914,327
	<u>2,572,161</u>	<u>2,577,813</u>
<b>3 Debtors</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Rate arrears            current year	6,725	3,226
previous years	8,370	9,045
Rates due from Treasury	17,480	5,368
Rents due and other debtors	3,385	1,240
VAT	8,100	7,617
	<u>44,060</u>	<u>26,496</u>
<b>4 Sundry creditors</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Accountancy fees	4,195	4,721
Accrued loan interest	31,371	32,357
Accruals	41,826	43,129
	<u>77,392</u>	<u>80,207</u>
<b>5 Capital discharged</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
At 1 April 2007	575,735	570,837
Bank loan capital repayments	75,367	—
Revenue contribution to capital	—	10,550
Depreciation	(5,652)	(5,652)
<b>At 31 March 2008</b>	<u>645,450</u>	<u>575,735</u>

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Notes (cont.)  
for the year ended 31st March 2008

**6 Revaluation reserve**

The revaluation reserve arose during 2001 on the revaluation of land and housing stock owned by the Commissioners

**7 Loans outstanding**

	2008 £	2007 £
Isle of Man Banks		
Due within one year	(116,428)	(59,908)
Due after one year	(1,142,557)	(1,266,555)
	<u>(1,258,985)</u>	<u>(1,326,463)</u>

During the previous year, two new loans were taken out from Isle of Man Bank to replace existing temporary loan borrowings. These consisted of a fixed term loan of £1,028,000, repayable over 20 years and bearing interest at 5.27% and a variable loan of £283,378 at a rate of 0.2% above base rate, repayable over 10 years.

**8 Rate arrears**

	2008 £	2007 £
Current year rate arrears	<u>6,725</u>	<u>3,226</u>

Arrears relating to the current financial year represented 1.32% (2007:0.63%) of the rates levied.